

So Ordered.



Frederick P. Corbit

Frederick P. Corbit
Bankruptcy Judge

Dated: September 11th, 2024

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re:

Katherine and Bryan Bass,

Debtors.

Case No. 24-00992-FPC7

ORDER DISAPPROVING
REAFFIRMATION AGREEMENT BUT
ALLOWING THE DEBTORS TO MAKE
PAYMENTS IN ORDER TO RETAIN
COLLATERAL

1 This matter came before the Court on the Motion of Katherine and Bryan Bass
2 (the “Debtors”), seeking approval of the Reaffirmation Agreement with Horizon
3 Credit Union, regarding the 2022 Toyota Sienna (the “Collateral”), filed on Tuesday,
4 August 13, 2024. (ECF No. 15) A hearing, as required under 11 U.S.C. § 524(d),
5 was held on Tuesday, September 10, 2024, during which the Court heard testimony
6 from the Debtors. Based on the record, the Court finds that Debtors have complied
7 with the requirements of 11 U.S.C. §§ 362(h) and 521(a). Because the proposed
8 Reaffirmation Agreement is not in the the Debtors' best interest,

9 IT IS ORDERED:

10 1. The Debtors' motion to approve the Reaffirmation Agreement is

11 **DENIED;**

12 2. 11 U.S.C. § 521(d), which makes “ipso facto default” clauses
13 enforceable, does not apply in this case because the Debtors have
14 complied with the requirements of 11 U.S.C. §§ 362(h), 521(a)(2) and
15 521(a)(6). Accordingly, Horizon Credit Union cannot use the absence
16 of a reaffirmation agreement or the Debtors' bankruptcy as a basis to
17 repossess the Collateral;

18 3. Because the Debtors have complied with the requirements of §§ 362(h),
19 521(a)(2), and 521(b)(6), they may retain the Collateral so long as they
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1 continue to make timely voluntary payments and satisfy their other
2 obligations, as provided for in Horizon Credit Union loan documents;

- 3 4. Horizon Credit Union may continue sending bills, payment coupons,
4 and statements to the Debtors and continue to accept payments until
5 either: (1) Horizon Credit Union is notified by the Debtors to cease
6 sending such bills, payment coupons, and statements or taking funds
7 from the Debtors' bank accounts; (2) any creditor secured by the
8 Collateral repossesses it and disposes of it pursuant to applicable non-
9 bankruptcy law; or (3) the secured obligation is paid in full;
- 10 5. Acceptance of voluntary payments from the Debtors, pursuant to the
11 terms of this order, is not a violation of 11 U.S.C. § 524(a)(2);
- 12 6. In the event that the Debtors retains the Collateral pursuant to paragraph
13 3 and thereafter defaults in their obligations as set forth in the loan
14 documents, Horizon Credit Union may collect its debt by enforcing its
15 rights against the Collateral pursuant to applicable non-bankruptcy law;
- 16 7. Such collection may include written, electronic, and/or telephonic
17 communication to notify the Debtors of any default and Horizon Credit
18 Union's intention to repossess or foreclose on the Collateral unless the
19 default is cured;
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1 8. Because the reaffirmation is denied, and unless this case is dismissed
2 without the Debtors obtaining a discharge, Ford Motor Credit
3 Company, LLC may not take, or threaten to take, any action to collect
4 its debt as a personal liability of the Debtors. However, compliance
5 with the terms of this order will not be construed as an attempt to
6 collect or recover any pre-bankruptcy debt as a personal liability of the
7 Debtors.

8 ///END OF ORDER///
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